

**DEPARTMENT OF STATE REVENUE  
LETTER OF FINDINGS NUMBER 06-0082  
RESPONSIBLE OFFICER  
SALES TAX  
For Tax Period October 2004-March 2005**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning specific issues.

**Issue**

**I. Sales Tax -Responsible Officer Liability**

**Authority:** IC § 6-2.5-9-3; IC § 6-8.1-5-1(b).

The taxpayer protests the assessment of corporate sales taxes against him as a responsible officer.

**Statement of Facts**

The taxpayer was an officer of a corporation that provided lawn care services. The corporation did not remit sales taxes to Indiana for the tax period October 2004 through March 2005. The Indiana Department of Revenue assessed the outstanding corporate sales taxes, interest, and penalty against the taxpayer personally. The taxpayer protested the assessment and a hearing was held. This Letter of Findings results.

**I. Sales Tax -Responsible Officer Liability**

**Discussion**

The proposed sales tax liability was issued under authority of IC § 6-2.5-9-3 that provides as follows:

An individual who:

- (1) is an individual retail merchant or is an employee, officer, or member of a corporate or partnership retail merchant; and
- (2) has a duty to remit state gross retail or use taxes to the department;

holds those taxes in trust for the state and is personally liable for the payment of those taxes, plus any penalties and interest attributable to those taxes, to the state.

Indiana Department of Revenue assessments are prima facie evidence that the tax assessment is correct. The taxpayer bears the burden of proving that the assessment is incorrect. IC § 6-8.1-5-1(b).

The taxpayer did not dispute that he was a party responsible for remittance of corporate sales taxes to the state for the period ending December 1, 2003. On that date, the taxpayer sold his interest in the corporation. The taxpayer sustained his burden of proving that he was not personally responsible for the corporate sales taxes after December 1, 2003.

### **Finding**

The taxpayer's protest is sustained as to all tax periods after December 1, 2003.

KMA/JMM/DK/06/10/07